



**Frederick County
Government
Frederick, Maryland**

News Release

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COUNTY COMMISSIONERS KEEP EMPLOYEE PENSION PLAN ON RIGHT TRACK

FREDERICK, MD – The Frederick Board of County Commissioners today received a presentation of the Actuarial Valuation Report As of July 1, 2012, for Fiscal Year 2014 for the Frederick County Employees Retirement Plan.

Board President Blaine Young commented, “We are pleased to hear today’s report on the employees’ retirement plan because it shows that this board is keeping our finances on the right track. In spite of some of the worst economic years, we are still keeping an 83 percent funding ratio. When we started in office it was much lower. This board, our Finance Division and Human Resources Division are committed to a constant review of the pension plan and to make adjustments based on sustainability so that we keep a healthy ratio.

“We just returned from a trip to the bond rating agencies in New York City and they were also impressed with the favorable changes we have made to our retirement plan. Our goal is 90 percent and we are making prudent decisions, not putting taxpayers at risk like other jurisdictions.”

The plan changes put into effect on July 1, 2011, and July 1, 2012, along with the uniformed employee contribution increase from 8 percent to 9 percent and the non-uniformed employee contribution increase from 4 percent to 6 percent will result in an increase of the plan’s funding level over the next six years. As of July 1, 2012, the plan is funded at 83 percent (on a market value basis) and is projected (over the next six plan years) to increase to 90 percent.

For the plan year beginning July 1, 2012, the actuary's valuation report shows that the blended employer contribution of 20.2 percent contributed to the plan by the county along with the employees’ contributions keeps the plan funded in accordance with the contribution policy established by the county. The blended contribution of 20.2 percent is a combined total for the breakdown of the actual cost for the uniformed participants and the non-uniformed participants.

(more)

For July 1, 2013, the county's blended contribution is 20.6 percent, which is above the required contribution -- demonstrating this board's commitment to insuring the plan is well-funded.

There are a total of 1,884 active participants; 597 uniformed participants and 1,287 non-uniformed participants at the end of the plan year.

The market value of plan assets, after subtracting liabilities of the plan, was \$316,448,361 as of July 1, 2012, as compared to \$300,159,368 as of July 1, 2011. During the plan year, the plan experienced an increase in net assets of \$29,658,981. The increase includes unrealized appreciation and depreciation in the value of plan assets.

The plan's total market value includes employer contributions of \$18,787,085, employee contributions of \$5,139,490, total disbursements of \$13,369,988 (includes benefit payments and administrative and investment management expenses) and asset gains. The plan's assumed expected rate of return is 7.5 percent and the actual return for this period was 1.9 percent.

For additional information or to obtain a copy of the valuation report, call the Human Resources Division at 301-600-1070.

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